

Roanoke County CIP Review Committee

Capital Project Prioritization

January, 2004

Using the Committee's adopted evaluation criteria, total project scores were averaged and listed in descending order. The projects were then grouped in four priority levels, with Level 1 Priority representing projects that have the greatest community value, as determined by applying the established criteria to each project. Succeeding priority levels were determined by grouping projects together that had successively lower scores; thus the project represents a need that is perceived to have less community value than projects with higher scores. The Committee's recommendations on capital priorities are as follows:

Level 1 Priority:

- Fire & Rescue - Upgrade/Replace Paging Capabilities
- Public Safety – 800 MHz Radio System Upgrade
- Information Technology - HP Migration
- Treasurer - Upgrade Remittance Processing Machine
- Fire & Rescue - EMS Data Reporting System
- Public Safety - Public Safety Center; Option 2 (*See explanation in Footnotes*)
- Information Technology - Network Infrastructure Upgrade
- Community Development - Regional Storm Water Mgt/Flood Control

Level 2 Priority:

- Community Development - GIS Phase II - Integration
- Public Safety - Public Safety Center; Option 3 (*See explanation in Footnotes*)
- Public Safety - Public Safety Center; Option 1 (*See explanation in Footnotes*)
- General Services - Garage at Kessler Mill Road
- Library - HQ Library Replacement
- Economic Development - Center for Research & Technology
- Sheriff - Jail Renovations (*See explanation in Footnotes*)
- Community Development - VDOT Revenue Sharing

Level 3 Priority:

- Fire & Rescue - Vinton Rescue - New Building
- Police - Evidence Vault Addition
- Fire & Rescue - Back Creek Station Addition
- Fire & Rescue - Hanging Rock New Station
- Police - South County Police Precinct
- Fire & Rescue - Hollins Road New Station
- Library - Mt. Pleasant Library Replacement
- Library - Glenvar Library Expansion
- Library – Vinton Library Renovation
- Parks & Recreation – Playgrounds

Level 4 Priority:

- Community Development - GIS - New Server
- Real Estate Valuation - Field Data Collection System
- Parks & Recreation - Garst Mill Park Improvements
- Library - Bent Mountain Library Expansion
- Parks & Recreation - Camp Roanoke
- Parks & Recreation - Brambleton Center
- Parks & Recreation - Spring Hollow Park
- Parks & Recreation - Starkey Park
- Parks & Recreation - Family Water Park
- Fire & Rescue - Bay Heater Upgrades
- Parks & Recreation - Green Hill Park Phase III
- Parks & Recreation - Parks & Recreation Land Bank
- Parks & Recreation - Vinyard Park Phase III
- Community Development - GIS - New Color Scanner/Printer
- Greenway Development - Roanoke River Greenway - East
- Parks & Recreation - Burton Complex
- Greenway Development - Mudlick Creek Greenway
- Information Technology - In-Building Radio Frequency (RF) Coverage
- Fire & Rescue - Bunk Room Additions
- Parks & Recreation - Picnic Shelters
- Parks & Recreation - Hollins Park
- Police - Bomb Disposal Unit
- Fire & Rescue - Station Security System
- Greenway Development - Tinker Creek Greenway
- Parks & Recreation - Improvements for Parking Areas
- Parks & Recreation - Walrond Park Phase III
- General Services - Recycling Trailers
- Parks & Recreation - Whispering Pines
- Parks & Recreation - Tennis Court Resurfacing
- Fire & Rescue - Station Fuel Control System

CIP Review Committee Recommendations

Capital Project Financing

The Committee recognizes the value of long-term capital planning and the need to fund critical capital assets that will benefit the citizens of Roanoke County (and of the Roanoke Valley). In order to accomplish this task, several options should be considered:

Dedicated Funding – The Committee **feels strongly** that to meet on-going major equipment, facility, and infrastructure needs a sizeable, recurring funding stream is essential. There should be a commitment to this annual source of funding before specific capital projects are identified. While the need for capital replacement will always be greater than the resources available to fund those needs, this approach will ensure the most important capital needs will be addressed and funded. Examples of potential sources for this funding stream would be current new revenue, existing debt drop-off (or other expenditure savings), user fees, taxes on new private sector development (impact fees), special assessments, public/private partnerships, etc.

Other Funding Considerations

- **Debt Financing.** While borrowing increases the overall cost of a capital project, it is at times desirable to incur debt to satisfy an important capital need by spreading the cost over a longer period of time. This method allows more flexibility to fund other current operational or capital needs. Typical debt financing instruments include general obligation bonds, revenue bonds, and lease/purchase agreements.

Considering the extensive capital needs observed throughout the county, the Committee believes serious consideration should be given to the possibility of a General Obligation Bond issue sometime in the near future, coupled with the appropriate master planning. The last GO Bond Issue in Roanoke County was 1992 and totaled approximately \$10 million.

- **Capital Program Sinking Fund.** Capital project proposals tend to be “all-or-nothing” requests that require an allocation of funds for the total cost of the project; and therefore do not get approved because of the lack of available monies. If a capital project request has merit, then strategies should be developed to initiate the project. Funds could be initially allocated to purchase needed land, fund a feasibility study (or A&E work), or to simply set aside money in a holding fund until enough funds are accumulated to complete the project.

In addition, this methodology can also be used to fund replacement and upgrade requirements for known obsolescence for various operational areas throughout the county such as Information Technology (computer equipment and infrastructure), Treasurer (remittance processor), Community Development (GIS development/upgrades), Libraries (minor renovations and equipment), and Fire & Rescue (pager replacement). Operating departments can have the opportunity to contribute operational funds for these projects by incorporating the rollover process with this funding methodology.

This funding mechanism would allow proactive replacement and upgrade of departmental capital needs and will significantly reduce the need for large (new) budget allocations in any single year.

Capital Maintenance

In reviewing capital requests it was noted that certain projects, on face value, did not look to be suitable for inclusion in a capital program. These projects had the character of repair and maintenance requests that are normally provided for in operational budgets, and were mainly found in the Parks and Recreation area. Over time, these maintenance requests (such as tennis court replacement/resurfacing, picnic shelter renovation, parking lot repair, playground upgrades, lighting replacement, etc.) have received limited funding and, as a result, the maintenance need has grown to a capital need.

Based upon the significant investment by the County in parks and other public facilities, the Committee **strongly suggests** increasing the funding of capital maintenance at a level that will not only protect the County's capital investments, but also will mitigate potential safety concerns at public use facilities. Parks and Recreation's capital program included a significant number of requests that addressed maintenance needs at facilities throughout the county. While acknowledging there was a significant need, several members of the Committee reported that these projects were scored lower in the evaluation in relation to other projects that represented a true "capital" investment.

Master Planning

Over the last decade Roanoke County has undergone significant demographic and service demand changes, and these changes are anticipated to continue into the future. These changes will most likely alter the type and level of services provided—including the placement and design of County facilities. In addition, the Committee noted that some capital project requests had a direct or indirect relationship with other capital (and operating) needs and felt that several departments would benefit from preparing or updating a facilities master plan. The departments identified that would most benefit are as follows:

- Libraries
- Parks and Recreation
- Fire and Rescue

This process would include a needs assessment that would factor in current and projected demographic data and capital asset requirements, with the intent to update the master plan on a periodic basis. In addition, the Committee is of the opinion that any master planning process should consider all alternative scenarios that would include schools, public/private partnerships, regional initiatives, etc.

Land Banking

The Committee discussed and endorsed the concept of “land banking.” This idea would involve projecting capital needs into the future and then acquiring sites that would be used to locate future capital facilities. As the County develops, available real estate for future use is becoming a scarce commodity (and less affordable). This concept supports one of the Committee’s adopted Guiding Principles—to anticipate future facility and infrastructure needs to best leverage capital resources of the community.

CIP Review Committee – What Next?

The relative value of any process is subjective and is dependant upon one’s individual perspective. At this point, the value the CIP Review Committee’s prioritization and evaluation process contributes to the Board of Supervisors operating and capital budgeting process is yet to be determined. If the Board considers this process to provide value, the Committee will meet shortly after this year’s budget process has been completed to critique the process and suggest modifications to improve procedures for the future.

Footnotes on Specific Capital Projects

Public Safety Building

The project request for a new Public Safety/Emergency Communications Center was a difficult project for the Committee to evaluate. The project is in the conceptual stages of planning and utilizes a (relatively) new state law, the Public Private Educational Facilities and Infrastructure Act, and the scope, location, and cost estimates of the project have not yet been determined. While the Committee considered the overall need for a new Safety Center, the unknown aspects of the project made it very difficult to evaluate based on the adopted project evaluation criteria.

Even though the scope of the proposal is still conceptual, County staff presented three possible alternatives for developing a new facility that would contain the following:

- Option 1: Dispatch Center, IT Department, Emergency Operations Center, Police and Fire Administrative offices, and include the upgrade to the radio system.
- Option 2: Same as Option 1, but would not include Police and Fire Administration offices.
- Option 3: Same as Option 2, but would not include upgrade of the radio system.

While not unanimous, the consensus of the Committee was to apply the evaluation criteria to each alternative to allow a comparison of the relative importance of different aspects of the project. An evaluation of the alternatives would also allow assessment of the importance of the project relative to other submitted projects county-wide.

Roanoke County Jail

While not unique to Roanoke County, overcrowding at the jail raised concerns of Committee members. Crowded conditions raise the potential for safety concerns of both employees of the jail and inmates. The capital project presented by the Sheriff's office requested renovations that added additional space to the current facility; however, the Sheriff's staff also discussed the option of constructing a new facility. There are additional considerations that can be explored, such as a regional jail facility with other localities or outsourcing inmates to other facilities that have unused capacity (such as Roanoke City).

Based upon the fact that the existing study of renovation/space needs at the Roanoke County Jail is outdated, the Committee felt the capital project, as submitted, is not a viable project for consideration. While the need to address overcrowding in the jail was acknowledged, the Committee did not feel enough information was available with which to make a reasonable evaluation of capital requirements. The ranking of jail renovations as a Level 2 Priority was based upon the recognition of a need that calls for remediation—not an endorsement of the submitted project.

The Committee recommends a comprehensive professional study of this issue that would clearly outline various alternatives and provide a more detailed cost estimate for each scenario. The study should be funded in FY2005 with possible construction/renovation scheduled for subsequent years.